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OF THE STATE OF CALIFORNIA**

Application of Southern California Edison Company
(U338E) for Approval of its Energy Savings
Assistance and California Alternate Rates for Energy
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2017.

Application 14-11-007
(Filed November 18, 2014)

And Related Matters.

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**OPENING COMMENTS OF
THE DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT (CSD)
ON
THE PROPOSED DECISION OF ADMINISTRATIVE LAW JUDGE COLBERT AND
THE ALTERNATE PROPOSED DECISION OF COMMISSIONER SANDOVAL**

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Dated: September 6, 2016

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Pursuant to Rule 14.3 of the California Public Utilities Commission (“Commission”) Rules of Practice and Procedure, the Department of Community Services and Development (“CSD”) hereby submits its opening comments on the Proposed Decision (PD) of ALJ Colbert and on the Alternate Proposed Decision (APD) of Commissioner Sandoval, in the above-captioned proceeding.

I. INTRODUCTION

CSD supports the PD and APD, with particular regard to recommendations concerning the leveraging of the Energy Savings Assistance (ESA) and California Alternate Rates for Energy (CARE) Programs with CSD’s Low-Income Home Energy Assistance Program (LIHEAP), funded by the U.S. Department of Health and Human Services (HHS) and the Low-Income Weatherization Program (LIWP), funded through California Climate Investments (cap-

and-trade auction proceeds) directed through the California State Budget. The coordination of the low-income programs of the large investor-owned utilities (IOUs) and CSD's federal low-income energy programs has long been a goal of the CPUC and CSD. This objective was the centerpiece of the 2009 Memorandum of Understanding¹ between the CPUC and CSD ("MOU") which, it can be argued, constitutes a primary purpose of the CPUC. CSD's LIWP, which provides energy efficiency measures to many of the same low-income communities, should also be included in this coordination effort.

The IOU low-income programs address an important public need and the critical policy objective of assisting those who are disadvantaged, but they do not exist in isolation. Not only do the utility programs operate in tandem with CSD's federal and state energy programs, such as LIHEAP and LIWP, but there is a nexus between energy use and water issues as well as carbon emissions, which CSD agrees the IOUs should account for such considerations in their program design. Accordingly, the ESA and CARE Programs must be designed, implemented and evaluated, not only in terms of their direct benefit to low-income ratepayers, but also in terms of their interdependence with other related undertakings that impact the lives and wellbeing of persons in the low-income community and in the larger community as a whole. CSD applauds recognition of this concept, as reflected in both the PD and APD, with particular regard for added emphasis found in the APD.²

II. THE FINAL DECISION SHOULD MANDATE EXPLICIT COLLABORATIVE ENDEAVORS AND ACTIONS UNDERTAKEN BY THE IOUS JOINTLY WITH CSD TO COORDINATE AND HARMONIZE LOW-INCOME HOME ENERGY AND RELATED PROGRAMS

CSD suggests that the long-term success and effectiveness of the ESA and CARE Programs require a more comprehensive and explicit mandate to the IOUs to coordinate and harmonize the programs and related activities with CSD's federal low-income energy programs, such as LIHEAP and with CSD's state greenhouse gas (GHG) reduction program (LIWP), and

¹ Cal. P.U.C. and Dept. of Community Services and Development, Memorandum of Understanding (March 17, 2009), attached hereto as Appendix A.

² Sections 5.3, 5.3.2 and 5.3.3.

other energy-related initiatives. While both the PD and APD reference the need for action in certain specified areas of endeavor such as data-sharing, multifamily issues and water-energy nexus³, a mandate and direction from the Commission for the establishment of *mechanisms* and *processes* are required, if the desired objectives are to be achieved.

The need for coordination is appropriately acknowledged in the PD and APD by the endorsement of SCE and PG&E's plans for coordination with CSD, and their efforts to create greater efficiencies, together with a directive that the IOUs file Tier 2 advice letters outlining a process for collaboration with CSD.⁴ While the objective is appreciated and commendable, CSD is greatly challenged in negotiating with four separate utilities and establishing workable plans, which inevitably are, from CSD's point of view, compromised by disparate perspectives, preferences and priorities. Under such circumstances CSD is compelled to implement its programs, conduct its leveraging efforts and share data pursuant to four distinct operational regimes. Although the Commission may not see a need for complete uniformity in the way ESA and CARE are implemented by the utilities, we respectfully submit that with respect to coordinating ESA and CARE with federal and state energy programs, consistency, if not uniformity, is essential.

To that end, we suggest that, under the auspices of the Energy Division of the CPUC, the utilities and CSD participate, together with other interested stakeholders, in a joint IOU-CSD Program Coordination Working Group (PCWG) charged with the task of developing recommendations and project proposals in order to realize the intent and purposes of the PD and APD, as well as the 2009 MOU referenced above. Subject to CPUC approval and such advice letters as may be appropriate, the IOUs should have expenditure authority to conduct feasibility studies as well as project planning and development activities in connection with initiatives identified by the PCWG. The PCWG would be the primary vehicle for realization of the objectives of the MOU and the coordination principles set forth in the PD and APD as well as function as an advisory body to the Commission with respect to ESA and CARE Program design and implementation in connection with IOU-CSD low-income program coordination and harmonization.

³ PD and APD, Sections 5.3.3.

⁴ *Id.*

The PCWG would be authorized to establish such programmatic, technical, and legal subgroups and to retain consultants as needed to develop and implement a comprehensive plan of action and project/program schema for various endeavors consistent with the objectives of the MOU and the principles reflected in the PD and APD. A similar concept has been advanced by others, as noted in PD and APD in the summary of “Parties’ Positions,” at Sections 5.3.2 where it was stated that “NRDC et al. argue that the creation of LIWP renews the importance of coordination between the ESA Program and CSD. NRDC et al. further recommend that the Commission host joint workshops, establish a stakeholder working group, and or require utilities to file Advice Letters documenting progress and compliance on sharing data and better coordinating with CSD.” We heartily support the suggestion and submit that it can be effected through the establishment of the PCWG, as proposed by CSD.

If the Commission is supportive of a unified approach to program coordination, whether through establishing the PCWG, as proposed by CSD, through a regime of Commission-sponsored workshops and stakeholder working group, as proposed by NRDC et al., or through another similar mechanism, we suggest that the mandate include a regular reporting requirement so that both the Commission and the public are apprised of progress toward stated objectives.

A. Statewide Database and Interim Measures

CSD strongly supports the reference to a statewide database in the Conclusion of Law at paragraph 192 of the APD, which states that, “PG&E, SCE, SDG&E and SoCalGas should enter into non-disclosure agreements between themselves and CSD to facilitate a statewide database and individual data sharing agreements.”

While CSD is not averse to entering into non-disclosure agreements with the IOUs in principle, the realization of a workable statewide database is unlikely to be achieved through four independent bi-lateral efforts that effect individual data sharing arrangements for the purpose of covering all IOU service areas within the state. Rather, we submit that a statewide database requires a comprehensive approach in which all parties would participate for the purpose of creating a single unified system. Indeed, the interests of the utilities and, more particularly, their customers, may be better served if the low-income program data addressed herein is eventually integrated into a mega statewide energy database that includes the resources and participation of all utilities in the state, energy-related governmental agencies and other stakeholders.

As noted in the PD and APD, customer energy usage data is essential to CSD's ability to meet its federal and state (LIWP) reporting requirements. Efforts to obtain the needed data from the IOUs have proven fruitless. For a brief period there was hope that needs could be met because the required information was already being collected by the CPUC and could be made available to CSD.⁵ Unfortunately, the data submitted to the CPUC is highly uneven in quality, configuration/format and timeliness making it, for the most part, unreliable and unusable for CSD's purposes. Nor have efforts undertaken through bilateral data-sharing requests been fruitful. Although the pursuit of possible solutions continues, satisfying CSD's data reporting requirements, as well as achieving the modicum of data-sharing needed for effective program coordination between utility and CSD programs, awaits the development of a statewide database in which all parties are readily able to access data.

CSD would urge that the needed comprehensive statewide database, be developed within the coordinated framework referenced above, perhaps beginning with a feasibility study to consider the best approach to develop a statewide database to make essential data accessible to the CPUC, the IOUs, CSD, local service providers and contractors responsible for program implementation. The database would better enable the IOUs and CSD to avoid duplication of effort, leverage weatherization and related services, coordinate program activities, and achieve efficiencies and greater program effectiveness with respect to utility payment assistance, as well as make customer energy usage data available to CSD to fulfill its federal and state reporting requirements. The feasibility study should consider the possible participation and involvement of other state agencies such as the California Energy Commission (CEC) and entities in the state that provide energy-related services to low-income households, including small investor-owned utilities and municipal utility companies.

CSD is mindful of the fact that creation of a statewide database is a large and challenging undertaking, which will require considerable effort and much time for the parties to bring to fruition. As noted, CSD has immediate federal and state reporting obligations that require access to customer energy usage data and, while a statewide database is the optimal solution, we suggest that a series of interim steps be undertaken, whether under the auspices of the PCWG or such alternative mechanism that the Commission may prefer. We recommend that the Commission mandate the IOUs work with the Energy Division of the CPUC and with CSD to

⁵ *Id.*

attain the following specific interim objectives: 1) creation of a *standard* non-disclosure agreement between CSD and all four utilities, 2) development of a *standard* file format to facilitate the bidirectional exchange of pertinent data between CSD and all four utilities; 3) development of a *standard* customer consent form, authorizing release of customer information to CSD; and 4) mandate a “proof of concept” pilot with one or two utilities to test a model for data exchange with CSD.

B. Program Coordination and Harmonization

An important function of the proposed PCWG would be to conduct an evaluation of the IOU’s and CSD’s low-income home energy programs to determine how activities and services can be better coordinated. Additionally, the PCWG would consider how leveraging activities can be optimized through best practices, lessons learned from pilot and experimental endeavors, and through the development, elaboration and implementation of statewide standards and coordination techniques.

Program coordination efforts would consist of avoiding duplication of effort, leveraging the outreach and intake/application processes, coordinating and reducing the number of customer visits, developing coordinated job/installation plans, and job scheduling. Other coordination efforts might include harmonizing customer eligibility criteria, application/consent documentation, forms and materials, technical weatherization standards, procedures and techniques, as well as training requirements, best practices, knowledge transfer and other programmatic factors that would enhance overall efficiencies and effectiveness.

The PD and the APD have addressed specific programmatic initiatives, as for example the directive for “...creating efficiencies between LIHEAP grant agencies and the IOU customer databases...” through the development of coordination plans “...to develop a referral process for identified customers with high energy burden and non-IOU fuel sources.”⁶ Again, CSD is supportive of the proposal, but submits that the probability of success and a uniformity of results would be greatly increased if the Commission were to direct that the initiative be conducted within the framework of a singular organizational structure such as the proposed PCWG.

CSD also commends the program coordination initiatives advanced in the APD in particular, with respect to the multifamily sector, including CSD’s single program implementer program design and the joint CSD/DWR drought mitigation efforts.

⁶ *Id.*

With respect to multifamily, we support the proposed ESA Program balancing account leveraging with CSD's LIWP multifamily component.⁷ We commend the notion of integrating such accounts with funding disbursements of CSD multifamily projects, but we strongly suggest that effecting the integration of funds, attributing outcome benefits (GHG reduction and energy savings) and addressing other program complexities on a bilateral basis with each IOU would be highly problematical at best. Once again, a singular, integrated structure for planning, program development and program implementation strategies is essential, whether these activities are conducted under the auspices of the CPUC or through an organizational mechanism such as the proposed PCWG.

With respect to drought mitigation efforts, CSD is supportive of the program coordination objectives advanced in the PD and APD, particularly the proposal to create a specified sub-account within each IOU's existing ESA Program balancing account, to help install water saving devices. However, the prospects of being able to coordinate utility and CSD efforts with respect to drought mitigation are compromised by the fact that the contemplated CEC funding to be made available to CSD for installation of water saving devices and measures was not included in the 2016-17 State Budget.

Similarly, CSD's program to install low flow toilets, the Toilet Replacement Program (TRP), funded by the Department of Water Resources (DWR) is a one-time investment program scheduled to sunset in June of 2017, which does not afford adequate time for the coordination of efforts between CSD and the IOUs. Nonetheless, CSD is supportive of the concept of co-funding such endeavors, of sharing data, and coordinating program implementation. Should another TRP funding opportunity or funding for a similar program arise, CSD would welcome the opportunity to collaborate with the utilities though, again, such efforts are best undertaken in a unified approach under the auspices of the Energy Division of the CPUC or, alternatively, through a structure such as the proposed PCWG.

C. Implications for Ordering Paragraphs

In light of the fact that no funding is available to CSD for the installation of CEC-sponsored water saving devices and in light of the fact that CSD's TRP will sunset in June 2017 before a meaningful utility coordination effort can be mounted, the Commission may wish to

⁷ PD and APD Sections 3.9.

remove or qualify the corresponding ordering paragraphs (PD 28, 29 and 30, and APD 26, 27 and 28).

Although CSD funding limitations and concerns do not apply to the ordering paragraphs that address multifamily program coordination with CSD (PD 45 and 46, and APD 44 and 45), CSD considers the mandate and order for each the IOUs to negotiate with CSD independently on a bilateral basis to be highly problematical, perhaps unworkable. The solution, as suggested above, is for multifamily program coordination and joint funding arrangements to be developed and implemented under the auspices of the Energy Division of the CPUC, within the framework of the PCWG, proposed by CSD or, alternatively, under another unified structure. Implementing four distinct multifamily leveraging programs with four separate entities would pose a considerable and unnecessarily burdensome challenge to CSD.

D. Correction

LIWP funding available to CSD, as represented in both the PD and APD, was not accurately stated.⁸ The amounts appropriated for the fiscal year 2015-16 and 2016-17 are \$78.7 million and \$20 million respectively. As previously noted, the 2016-17 budget contained no funding for CEC water saving devices and, accordingly, no funding from CEC is available to CSD.

III. CONCLUSION

CSD submits that the Final Decision should be explicit in mandating that the IOUs engage in a cooperative endeavor with CSD in order to effectuate the objectives of the 2009 MOU between the Commission and CSD for the purpose of coordinating and harmonizing the ESA, CARE Programs with LIHEAP, LIWP and other federal and state programs administered by CSD. We suggest that such program coordination and harmonization is best achieved through the formation of a joint utility/CSD Program Coordination Working Group (PCWG), charged with responsibility for attaining the purposes and objectives of the 2009 MOU and of the current decision, advising the Commission on low-income energy program matters and implementing initiatives in accordance with the directives of the Commission.

⁸ See, for example, PD and APD, Sections 3.9.

Respectfully submitted,

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